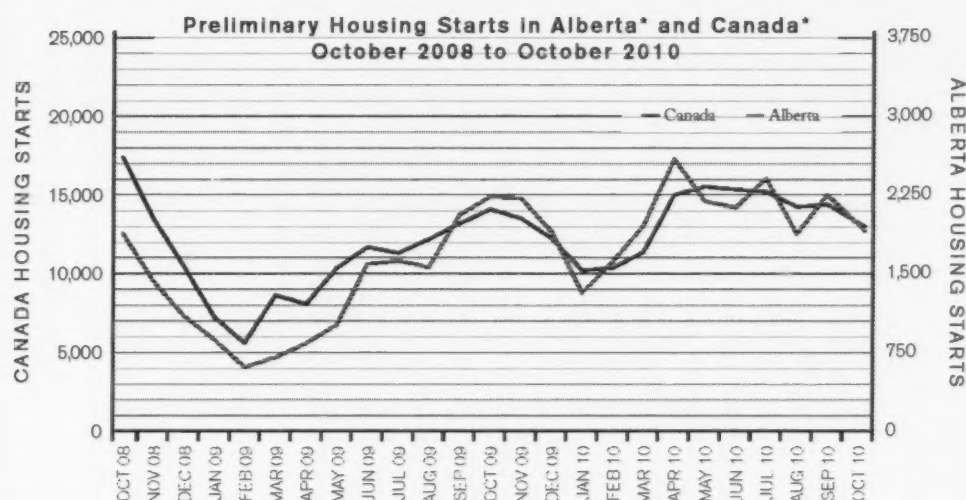


HOUSING BULLETIN MONTHLY REPORT

1

HOUSING STARTS CONTINUE DOWNWARD TREND



* Data reflects centres with a population of 10,000 and over.
Source: Canada Mortgage and Housing Corporation

- Canada's total preliminary housing starts for October 2010 were down 9.9 per cent over September 2010 and down 7.9 per cent compared to October 2009.
- This represents the fifth monthly decline since Canadian new home construction approached a two-year high in May.
- Alberta's October 2010 total housing starts are down 15.5 per cent compared to September 2010 and down 19.9 per cent when compared to October 2009.

ISSUE HIGHLIGHTS

Housing Starts
Moderation in starts continues in October.

Page 2

Resale Prices
Resale prices remain muted into 2011 according to latest forecasts.

Page 5

Mortgage Arrears
Alberta mortgage arrears reach highest level in past decade.

Page 6

After the wild rollercoaster ride that many housing markets have been on, normal and stable market conditions are something buyers and sellers will welcome

(CREA).

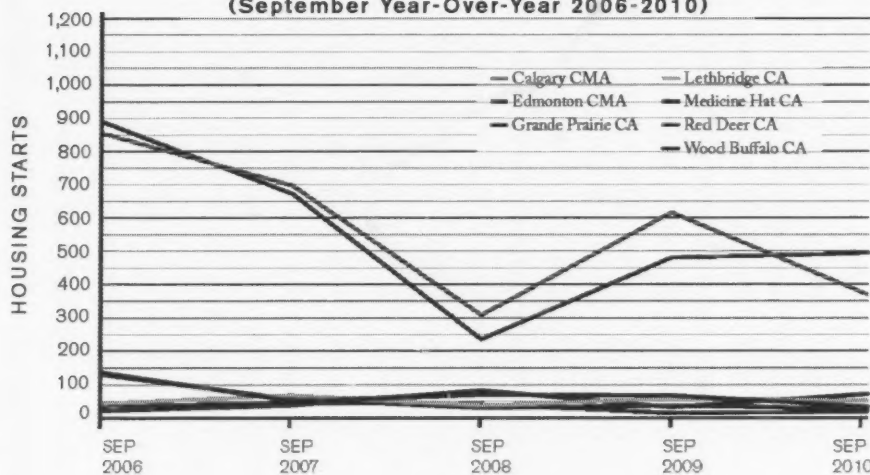
EA) Lacklustre economic and job growth, muted consumer confidence, and the resumption of interest rate increases are expected in 2011. Against this economic backdrop, national home sales activity is forecast to decline 9 per cent (CREA). Lak

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SINGLE-DETACHED STARTS DOWN in ALBERTA

Actual Housing Starts - Single-Detached
(September Year-Over-Year 2006-2010)

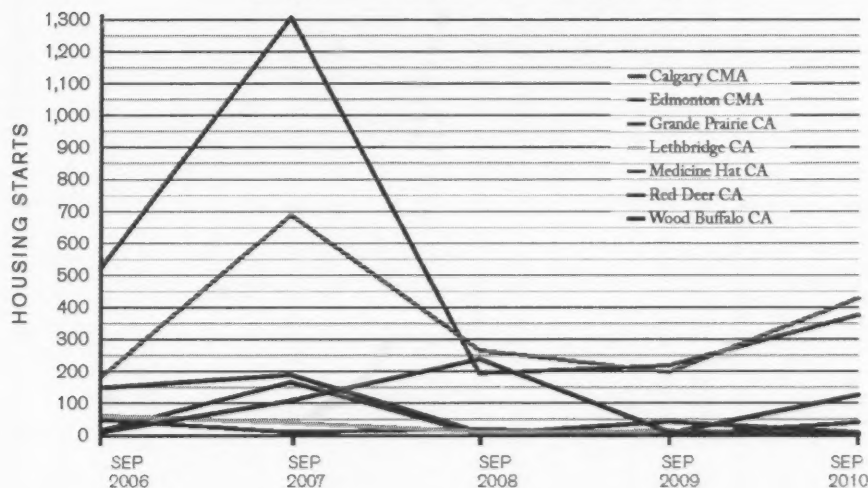


- Across Alberta, single-detached housing starts fell 18.6 per cent from September 2009 to September 2010. According to Canada Mortgage and Housing Corporation, new home construction in the single-detached sector will remain modest for the rest of the year and into the early part of 2011 until active listings in the resale market diminish.
- From September 2009 to September 2010 single-detached housing starts rose 2.9 per cent in Edmonton, but fell 40.3 per cent in Calgary.
- Wood Buffalo recorded the largest increase in single-family housing starts, rising 121.9 per cent from 32 in September 2009 to 71 in September 2010.

Source: Canada Mortgage and Housing Corporation

MORE MULTI-FAMILY CONSTRUCTION THAN ONE YEAR AGO

Actual Housing Starts - Multi-Family Dwellings
(September Year-Over-Year 2006-2010)



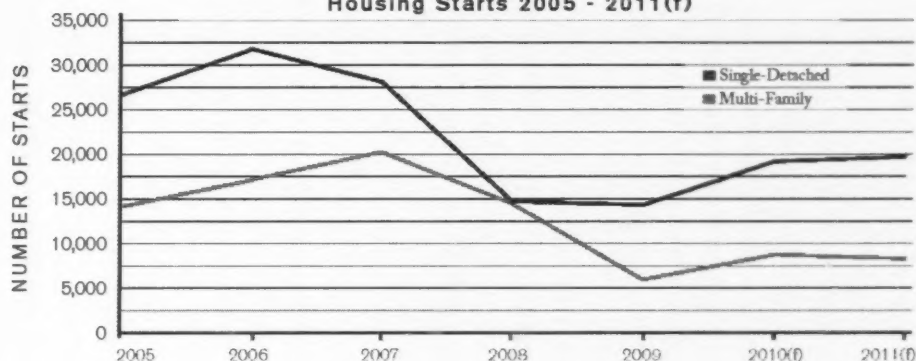
- Construction of multi-family dwellings in Alberta's seven major centres increased 101.2 per cent from September 2009 to September 2010.
- Multi-family starts increased by 117.3 per cent in Calgary and 72.0 per cent in Edmonton. Wood Buffalo saw the largest increase in multi-family housing starts, rising from 6 in September 2009 to 125 in September 2010.
- Declines in multi-family housing construction were recorded in Grande Prairie (-80.0 per cent), Lethbridge (-85.7 per cent) and Red Deer (-81.0 per cent).

Source: Canada Mortgage and Housing Corporation

INANCIAL) Housing starts in Alberta may struggle for the rest of 2010 and into early 2011, but with population and employment growth, demand for new homes is bound to return later next year (ATB FINANCIAL). Housing starts

IMPROVED MARKET BALANCE in 2011 WILL ALLOW HOUSING STARTS to RISE in ALBERTA

Alberta Single-Detached and Multi-Family Housing Starts 2005 - 2011(f)



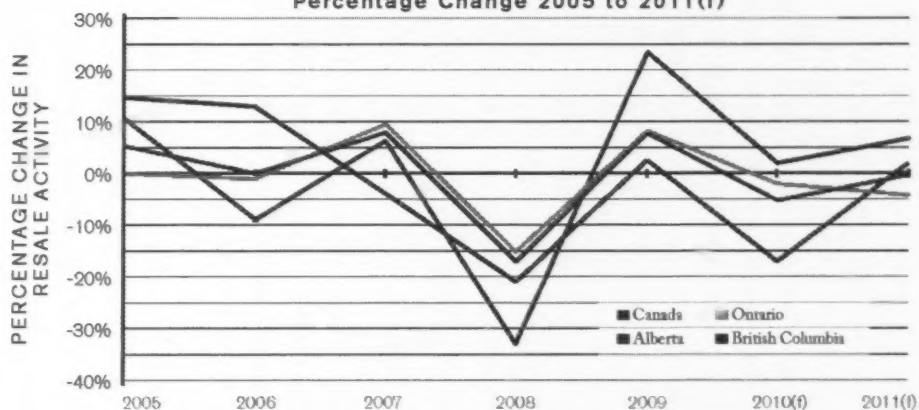
- According to Canada Mortgage and Housing Corporation (CMHC), rising single-detached inventories across Alberta will cause builders to ease production over the remainder of 2010 before gradually increasing production in 2011. Single-detached starts are forecasted to reach 19,150 in 2010, an increase of 24 per cent over 2009.
- Employment growth and immigration are expected to fuel demand in 2011 and lead to moderate increases in single-detached starts of 3 per cent.

- By the end of 2010, multi-family starts are forecast to recover by 47 per cent over 2009 levels. High multi-family inventories are expected to constrain further construction resulting in a forecast drop of 5 per cent in 2011.

Source: Canada Mortgage and Housing Corporation

NATIONAL RESALES EXPECTED to STABILIZE in 2011

Total Residential Resale Activity, Year-to-Year Percentage Change 2005 to 2011(f)



- Although sales of existing homes have slowed in 2010, CMHC predicts they will begin to rise in the fourth quarter of 2010 through to 2011. Year-over-year, national sales are expected to fall -0.4 per cent from 2010 to 2011, but this still represents an increase of 2 per cent over 2008 lows.
- Alberta's level of resale activity is forecast to rise 1.9 per cent from 2010 to 2011 yet remains at the second lowest level since 2005. Sales during this period peaked at 74,350 in 2006. CMHC predicts the current buyers' market in Alberta to transition to a balanced market, but not likely before spring 2011.

- Resales in British Columbia are predicted to rebound 6.7 per cent in 2011 and on the whole have been more volatile over the 2005 to 2011 period. The dip in 2010 in Ontario and British Columbia is likely due in part to the introduction of the Harmonized Sales Tax in those provinces earlier this year.

Source: Canada Mortgage and Housing Corporation

ATB FINANCIAL) Alberta housing starts have clawed their way back from 2009 lows. However, since peaking early in 2010 this rising trend has been decidedly slower (ATB FINANCIAL). Alberta housing st

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SALES CONTINUE to TREND DOWNWARD in EDMONTON'S MARKET

Year-to-Year Comparison of Housing Resale Activity in Edmonton in the Month of October

	AVERAGE PRICE			Days on the Market	Residential Listings	Residential Sales	Monthly Sales to Listings Ratio	Average Year to Date Sales to Listings Ratio
	Single-Family Dwelling	Condominium	Duplex / Rowhouse					
Oct 06	\$330,168	\$210,132	\$275,846	25	2,157	1,772	82	92
Oct 07	\$392,773	\$259,879	\$363,632	45	3,340	1,214	36	57
Oct 08	\$357,593	\$238,174	\$304,649	61	2,938	1,195	40	47
Oct 09	\$367,125	\$238,054	\$299,771	50	2,109	1,529	72	64
Oct 10	\$365,691	\$235,894	\$292,214	60	2,269	1,077	47	48

Source: Realtors' Association of Edmonton

- The average price of a single-family dwelling in Edmonton fell 0.4 per cent from October 2009 to October 2010. Over the same period, the average price of condominiums fell 0.9 per cent and 2.5 per cent for a duplex or rowhouse.
- Listings in October 2010 were up 7.6 per cent over October 2009, and sales were down 29.6 per cent.
- An Edmonton home sat on the resale market for 60 days in October 2010, 20.0 per cent longer than in October 2009.

YEAR-OVER-YEAR PRICE DECLINES in ALL SECTORS of CALGARY'S MARKET

Year-to-Year Comparison of Housing Resale Activity in Calgary in the Month of October

	SINGLE-FAMILY DWELLING					CONDOMINIUM				
	Average Price	Month End Inventory	New Listings Added	Sales	Days on the Market	Average Price	Month End Inventory	New Listings Added	Sales	Days on the Market
Oct 07	\$452,254	5,517	2,586	1,113	40	\$331,617	2,329	1,203	501	40
Oct 08	\$449,100	5,522	2,322	820	48	\$289,148	2,640	1,071	399	50
Oct 09	\$462,465	3,003	1,819	1,285	41	\$289,155	1,482	859	601	44
Oct 10	\$444,744	4,528	1,765	888	50	\$287,793	2,042	721	310	57

- The number of single-family homes sold in Calgary in October 2010 was down 30.9 per cent compared to October 2009, and prices decreased 3.8 per cent. According to the President of the Calgary Real Estate Board buyers remain cautious, and may be waiting to feel more confidence in Calgary's economic growth and job security.
- New listings for single-family homes fell 3.0 per cent from October 2009 to October 2010.

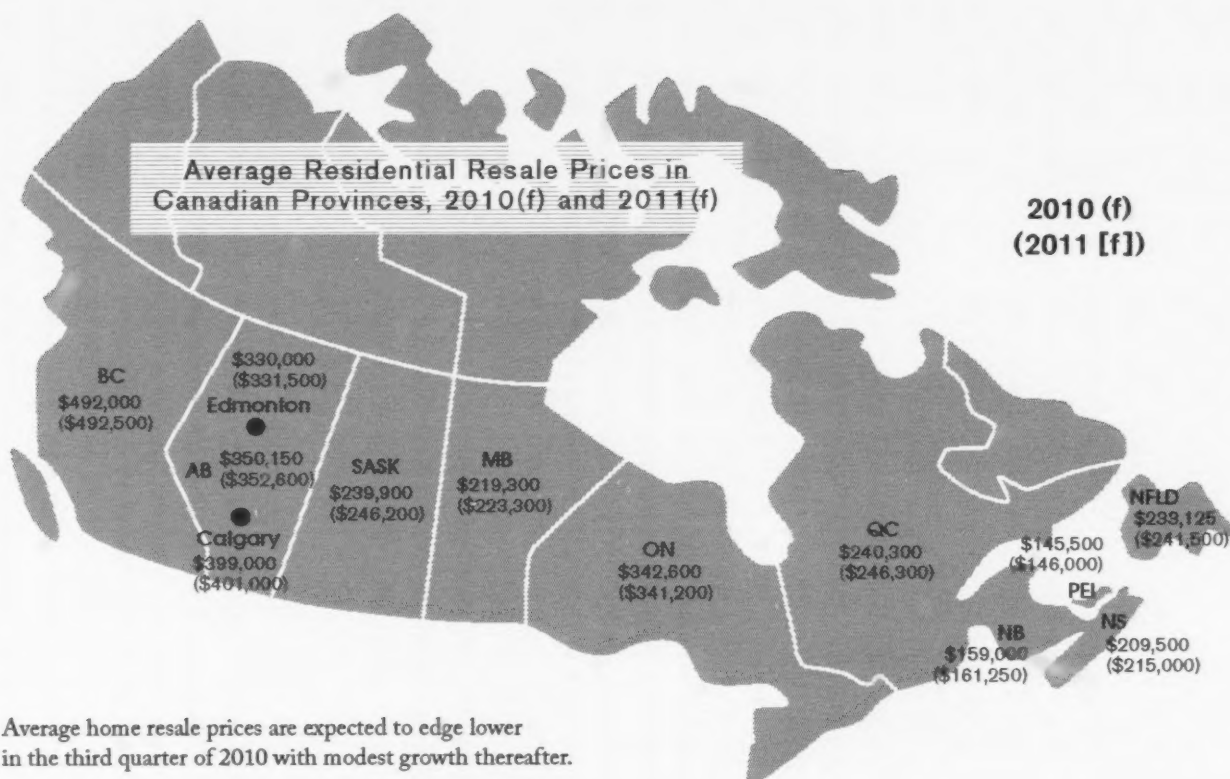
Source: Calgary Real Estate Board

ON, NOVEMBER 1, 2001) Month-over-month price drop brings properties to 2009 housing price levels (REALTORS ASSOCIATION OF EDMONTON, NOVEMBER 1, 2001). Month-over-month price drop brings properties to

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CANADIAN RESALE PRICE TREND REMAINS STABLE into 2011



- Average home resale prices are expected to edge lower in the third quarter of 2010 with modest growth thereafter.
- Canada Mortgage and Housing Corporation (CMHC) expects balanced market conditions to decrease any upward pressure on housing prices in 2011. According to the Canadian Real Estate Association, national sales activity and new listings have swung widely but synchronously, which has kept the market in balanced territory since the spring.
- Of all the Canadian provinces, Ontario is the only region where CMHC forecasts a minor decrease in resale prices of 0.4 per cent. Newfoundland is expected to see the largest growth in resale prices, with an increase of 3.6 per cent in 2011.
- Alberta's forecasted resale price for 2011 is predicted to rise moderately by 0.7 per cent, significantly lower than the boom years of 2006 and 2007, but a recovery from the housing market slump of 2008 and 2009 when average resale prices fell by -0.9 and -3.3 per cent, respectively.
- In Edmonton, the average resale price is forecast to rise from \$330,000 in 2010 to \$331,500 in 2011, an increase of 0.5 per cent. Calgary's average resale price is forecast to increase from \$399,000 in 2010 to \$401,000 in 2011, a year-over-year increase of 0.5 per cent.

* (f) forecast by CMHC.

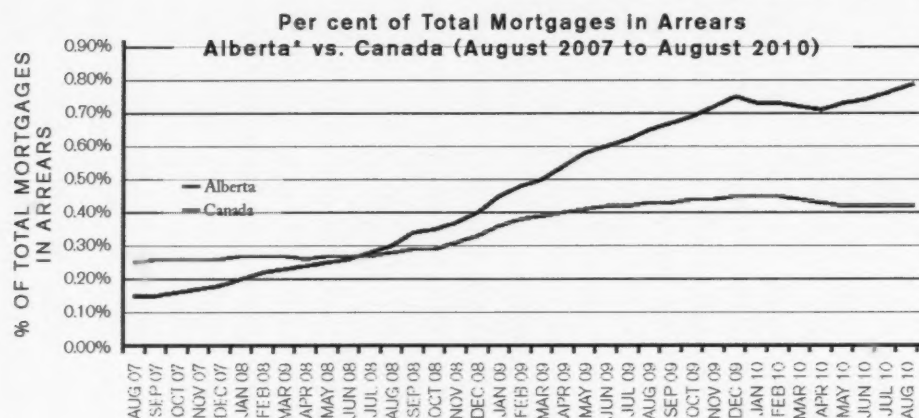
Source: Canada Mortgage and Housing Corporation and Canadian Real Estate Association

tions (CMHC) A lower level of demand and elevated supply has softened market conditions in most of Alberta's major markets and created price reductions (CMHC). A lower level of demand and elevated supp

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PROPORTION of ALBERTA MORTGAGES in ARREARS EDGED UPWARD in AUGUST 2010



- According to a November 2010 report from the Canadian Association of Accredited Mortgage Professionals, despite these statistics, 6.4 per cent of Albertans indicated they were highly likely to purchase a home in the next year, the highest in the country and well above the national average of 3.56 per cent.

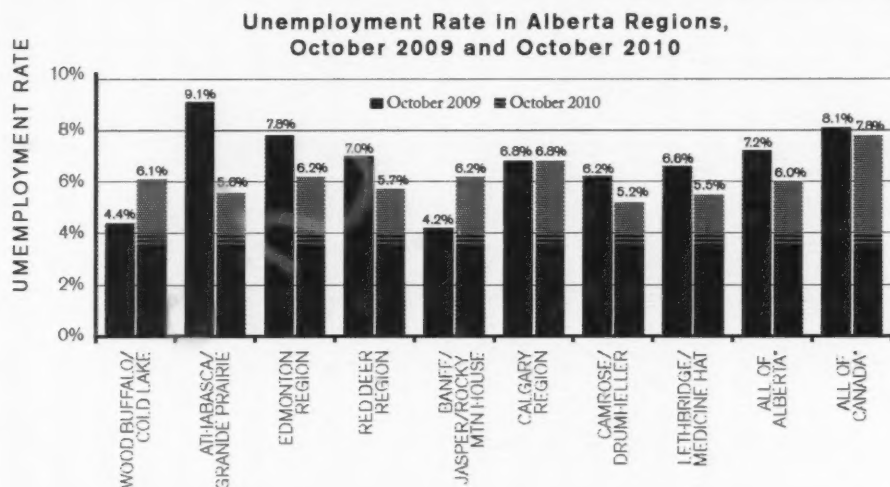
* Data for Northwest Territories and Nunavut are included in Alberta.

** January to August 2009.

Source: Canadian Bankers Association

- The Canadian Bankers Association collects statistics on mortgage arrears across Canada. A mortgage is considered to be in arrears when three or more months of payments are overdue.
- As of August 2010, 0.42 per cent of mortgages in Canada were in arrears as of August 2010, the fourth consecutive month at this level.
- In Alberta, 0.78 per cent of mortgages were in arrears as of August 2010, the highest level in the past 10 years.
- Alberta's proportion of mortgages in arrears first moved above the national average in July 2008, and has continued to rise ever since.

FALLING UNEMPLOYMENT RATE SIGNALS ALBERTA'S ECONOMY is GAINING STRENGTH



* Seasonally adjusted.

Sources: Alberta Employment and Immigration

- Overall, Alberta's unemployment rate fell from 7.2 per cent in October 2009 to 6.0 per cent in October 2010.
- According to a senior market analyst with Canada Mortgage and Housing Corporation, employment growth has been improving but remains below 2009 levels. As Alberta's labour market improves, in-migration will strengthen along with housing demand.
- Unemployment rose 2.0 per cent in the Banff/Jasper/Rocky Mountain House region and 1.7 per cent in the Wood Buffalo/Cold Lake region on a year-over-year basis.
- Unemployment was the highest in the Calgary region in October 2009 (6.8 per cent) and remained unchanged in October 2010.

ERALD, NOVEMBER 6, 2010) People and jobs are key to boost the housing sector (CALGARY HERALD, NOVEMBER 6, 2010). People and jobs are key to boost the housing sector (CALGARY HERALD, NOVEMBER 6, 20

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